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March 1, 2005

Mary L. Cottrell, Secretary Department of Telecommunications and Energy One South Station, 2<sup>nd</sup> Floor Boston, MA 02110

RE: New England Gas Company, D.T.E. 05-24

Dear Ms. Cottrell:

Please find attached the 2004 Annual Service Quality Report ("Report") for New England Gas Company ("Company"). The Report includes data and other information regarding the Company's annual service quality performance for the period ending December 31, 2004, as well as historical data supporting the Company's comparison of 2004 performance with its past performance. The Report is consistent with the Company's Service Quality Plan ("Plan") that was approved by the Department of Telecommunications and Energy ("Department") on April 17, 2002.

The Company will continue to track its service quality performance consistent with its Department-approved Plan during 2005 and update its benchmarks where appropriate.

If you have any questions, please call me at your convenience. Please also direct any correspondence to:

Kevin F. Penders, Esq.
Manager, Regulatory Relations
New England Gas Company
100 Weybosset Street
Providence, Rhode Island 02903
Direct: (401) 272-5040 x 2212

Fax: (401) 751-0698

Annual Service Quality Report March 1, 2005 Page 2

Sincerely,

John K. Habib

### Enclosures

cc:

Jody Stiefel, Hearing Officer

Joseph Rogers, Assistant Attorney General Robert Sydney, General Counsel, DOER

Kevin Brannelly George Yiankos Karen Robinson Kevin Penders Karen Czaplewski Sharon Partridge Peter Czekanski

# 2004 SQI Annual Report Section 1

# Form A



Fall River Service Area 2004 Form A

 <sup>(1)</sup> Mean included in Appendix H - 2003 Annual Service Quality Report
 (2) Created by adding/subtracting the standard deviations to/from the mean. - Threshold at which penalties/offsets will be applied.

Fall River Service Area 2004 Form A

		AMBRICA DE BROSE DE COMPETATOR			HENRY BACKING TO THE THE TRANSPORT OF TH
		Historical			
ADDITIONAL REPORTING	Years in Database	(c)	Benchmark Deadband	Performance in 2004	Comments
			Penalty Offset		nebratikan kerana percenteran karan persentan keran pengan kerantar karan pengan pengan pengan pengan pengan p
Restricted Work Day (# of acc/200,000 employee hours)	11	7.25	A A	3.80	
rroperty Damage > ok (#)	<sub>2</sub>	0	NA	0	The Company did not have property damage over \$5,000 in 2004 in the Fall River Service Area.
- Carlotte Agents					
Onaccounted for Gas (Mct)	13	259,560	NA	327,659	
Capital Expenditures (# of projects and total \$)	æ	\$2,333,534	NA	\$3,947,141	
Spare Component & Inventory Policy	NA	NA	NA	NA	
Customer Surveys : Random Calls	3	AN	ΔN	5.07	Curvey for rootidoctial guidemost who may be a the
Residential Customers	•		<u>[</u>	10.00	recently contacted the Company Heise a scale of 1 - year
					dissatisfied and 7 = very satisfied: How satisfied are von
					with the service you are receiving.
Customer Surveys: Recent Contacts	က	Ą	NA	5.03	Survey for any customer who had recent contact with the
					Company. Using a scale of 1 = very dissatisfied and 7 = very satisfied; How satisfied were you with the service you
					received
Accidents	0	0	NA	0	The Company did not have any accidents in the Fall River
					Service Area in 2004.
Customer Service Guarantees		\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	C Z		
	5	í Ž	¥.	Þ	The Company did not miss any scheduled service
					scheduled service outgoes in the Fall River Service Area in
					2004.
Sec. 2	Š	1111			
Staning Levels	9	177	AN	136	Benchmark represents 1997 staffing level.

(3) Rolling average of most recent data points

# North Attleboro Service Area 2004 Form A

	100%	NA	95.00%	3	Response To Odor Calls (%)
	0.00	33 -1.82	1.61 5.03	10	Lost Time Accident Rate (# of acc/200,000 employee hours) *
	00.71		00	2	Pill A direction of the Annual Control of th
	17.00	33 197	3.80 6.33	10	Consumer Division Cases
	80.90%	NA	NA	2	Meter Reads %
The percentage of service appointments met by the Company on the same day scheduled. Performance data for Year 2004 represents the third annual data point. Therefore, a benchmark is established for the 2005 filing.	98.70%	NA	NA	2	Service Appointments Kept %
The percentage of emergency telephone calls from customers that are handled within a 20 second time interval.	79.60%	<b>∀</b>	₹ <del>Z</del>	7	Emergency Answering Factor %
The percentage of all telephone calls from customers that are handled within a 20 second time interval. Performance data for Year 2004 represents the second annual data point.	38.52%	<b>∀</b> Z	Z Z	-	l elephone Answering Factor %
		Offset	Penalty		Trainment American
Commens	Performance in 2004	Benchmark Deadbands (2)	Mean / Benchmark (1) Bern	Years in Database	PENALTY PROVISIONS
			The same of the sa		

Mean included in Appendix H - 2003 Annual Service Quality Report
 Created by adding/subtracting the standard deviations to/from the mean. - Threshold at which penalties/offsets will be applied.

Form A
2004
Area
Service
Attleboro
North

		SELECTION OF THE PROPERTY OF T	TOTAL TOTAL STREET, THE STREET		
		Historical Average/Mean			
ADDITIONAL REPORTING	Years in Database	(8)	Benchmark Deadbands P	Performance in 2004	Comments
Restricted Work Day (# of acc/200,000 employee hours)	11	0.00	ΝΑ	0.00	
Property Damage > 5K (#)	4	0	NA	0	The Company did not have property damage over \$5,000 in 2004 in the North Attleboro Service Area.
Unaccounted for Gas (Mcf)	11	15,865	NA	38,214	
Capital Expenditures	6	\$476,208	NA	\$965,924	
Spare Component & Inventory Policy	NA	NA	NA	NA	NA
Customer Surveys : Random Calls Residential Customers	e	NA	NA	5.36	Survey for residential customers who may or may not have recently contacted the Company. Using a scale of 1 = very dissatisfied and 7 = very satisfied; How satisfied are you with the service vou are receiving.
Customer Surveys : Recent Contacts	ю	NA	NA	5.49	Survey for any customer who had recent contact with the Company. Using a scale of 1 = very dissatisfied and 7 = very satisfied; How satisfied were you with the service you received.
Reporting of Safety Accidents	ဇ	ΑΝ	NA	0	The Company did not have any accidents in the North Attleboro Service Area in 2004,
Customer Service Guarantees	2	NA	NA	0	The Company did not miss any scheduled service appointments and did not fall to notify customers of scheduled service outages in the North Attleboro Service Area in 2004.
Staffing Levels	7	11	NA	5	Benchmark represents 1997 staffing level.

<sup>(3)</sup> Rolling average of most recent data points

## 2004 SQI Annual Report Section 2



### **SECTION 2**

### Performance Review for Year Ending December 31, 2004

### I. INTRODUCTION

In accordance with the directives of the Department of Telecommunications and Energy (the "Department"), the New England Gas Company (the "Company") hereby presents its annual service-quality performance report (the "Report") for the Fall River Service Area ("Fall River") and North Attleboro Service Area ("North Attleboro") (together, the "Service Areas"), based on service-quality data collected through December 31, 2004. This Report is filed pursuant to the provisions of the service-quality plans (the "SQ Plans") submitted to the Department in March 2002.

The Report provides: (1) the Company's 2004 performance data for each service quality category required by the Department to be tracked; (2) historical data supporting benchmarks for such categories; and (3) supporting information and reports on certain service quality measures required by the Department to be reported. The Company's 2004 performance benchmarks for certain categories were based on 10 years of data, and thus, the Company did not revise such benchmarks for purposes of measuring 2004 performance. In instances where benchmarks have been established on less than 10 years of data, the Company updated such benchmarks, as required by the guidelines established by the Department in Service Quality Standards, D.T.E. 99-84 (2001) ("D.T.E. 99-84").<sup>2</sup> In addition, the Company has compiled data for several performance categories for which the Company began tracking data only during the last three years, and thus, in this report and filing, the Company establishes performance benchmarks for these categories which will be applied in the Company's 2005 filing.<sup>3</sup> The Company will continue to establish and update its performance benchmarks as additional data become available.

Those categories are: (1) Billing Adjustments (Fall River Service Area); (2) Lost Work Time Accident Rate (Fall River and North Attleboro Service Areas); and (3) Consumer Division Cases (Fall River and North Attleboro Service Areas).

Those categories are: (1) On-Cycle Meter Readings (Fall River Service Area); and (2) Billing Adjustments (North Attleboro Service Area).

Those categories are: (1) Telephone Service Factor – Emergency and Non-Emergency (Fall River Service Area); (2) Service Appointments Met on the Same Day Requested (both Service Areas); and (3) On-Cycle Meter Readings (North Attleboro Service Area).

### II. PERFORMANCE MEASURES

### A. <u>Customer Service and Billing Performance Measures</u>

### 1. <u>Telephone Service Factor</u>

Under Section II.A of the Company's SQ Plans, the Company is required to collect and report statistics on the percentage of telephone calls from customers that are handled within a 20-second time interval. Until the issuance of D.T.E. 99-84 on June 29, 2001, the Company had not compiled performance statistics on the telephone-response time for either the Fall River or North Attleboro Service Areas. As of September 2001, the Company began collecting data on the percentage of telephone calls handled within 20 seconds for the Fall River Service Area, including both emergency and non-emergency calls. Tracking for the North Attleboro Service Area non-emergency calls began in January 2002, and in June 2002 for emergency calls. Thus, as of December 31. 2004, there are three annual data points for the Fall River Service Area telephone service factor and two annual data points for the North Attleboro Service Area's telephone service factor. Therefore, a benchmark of 36.15% is established for telephone service factor in Fall River. The appropriate benchmark for North Attleboro will be established in the Company's 2005 filing. The Company's 2004 performance was 40.29% for Fall River and 38.52% for North Attleboro.

### 2. Service Appointments Met on the Same Day Requested

Under Section II.B of the SQ Plans, the Company is required to gather data on the percentage of service appointments met by Company personnel on the same day requested. The Company did not track this measure for the Service Areas prior to the issuance of D.T.E. 99-84. The Company began tracking performance on this measure as of July 1, 2001. Thus, as of December 31, 2004, there are three annual data points for this measure for both Service Areas. Therefore, the Company establishes a benchmark for this measure in the amount of 99.73% for Fall River and 99.50% for North Attleboro. The Company's 2004 performance for this measure was 99.20% for Fall River and 98.70% for North Attleboro.

### 3. On-Cycle Meter Readings

Under Section II.C of the SQ Plans, the Company is required to collect and report data on the percentage of meters that are actually read by the Company, monthly. The Company has established a benchmark for this measure for the Fall River Service Area, which will be re-calculated for 2005 to include its 2004 performance for this measure. As detailed in Section 3, Appendix H, the benchmark against which performance in 2005 will be measured will increase from 81.33% to 81.65%. The Fall River Service Area's

2004 performance for this measure was 83.60%. Therefore, an offset of \$9,706 was calculated for this performance measure.

The Company began tracking data for this measure for the North Attleboro Service Area as of July 1, 2001. Thus, as of December 31, 2004, the Company has three annual data points for this measure for the North Attleboro Service Area. The Company therefore establishes a benchmark for 2005 of 82.87% for this measure. The North Attleboro Service Area's performance in this measure for 2004 was 80.90%.

### B. <u>Customer Satisfaction Performance Measures</u>

### 1. Consumer Division Cases and Billing Adjustments

Under Sections III.A and B of the SQ Plans, the Company is required to track the number of customer complaints for each Service Area filed with the Department's Consumer Division and the amount of billing adjustments per 1,000 residential customers based on data compiled and reported to the Company by the Department. The Fall River Service Area's benchmarks for each of these measures were fixed in 2003 and 2002, respectively. Accordingly, as set forth in Section 3, Appendix H, the benchmark for Consumer Division Cases relating to the Fall River Service Area is fixed at 55.3 cases. The benchmark for billing adjustments for the Fall River Service Area will remain fixed at \$24.27. The Fall River Service Area's 2004 performance in each of these measures was 101 cases and \$43.92, respectively. The Fall River Service Area's 2004 performance level for Consumer Division cases did not meet its benchmark. Accordingly, a penalty of \$19,411 for Consumer Division cases was calculated for this performance measure.

As of the end of 2004, the Company has 9 years of historical data for billing adjustments in the North Attleboro Service Area. Accordingly, as set forth in Section 3, Appendix H, the 2005 benchmarks for this measure for the North Attleboro Service Area was recalculated to include the North Attleboro Service Area's 2004 performance. The North Attleboro Service Area's benchmark for Billing Adjustments will increase from \$3.84 to \$21.00. In 2004, the North Attleboro Service Area's performance relating to these measures was 17 cases and \$158.31, respectively. The North Attleboro Service Area's 2004 performance level for Consumer Division Cases and Billing Adjustments did not

meet its 2004 benchmarks and therefore, penalties of \$2,951 were calculated for these two performance measures.<sup>4</sup>

The Company notes that, with respect to its performance for Consumer Division Cases, the difference between its 2004 performance and its performance in prior years is primarily attributable to staff changes at the Company and related changes in coordination and information flow between the Company and the Consumer Division of the Department. Specifically, the Company needs to seek more information from the Department regarding the rationale for classifying certain calls to the Department as a "Consumer Division Case," as defined by the Department in its Guidelines. Accordingly, the Company intends to initiate discussions with the Consumer Division during 2005 to resolve issues relating to categorization of customer calls to the Department.

### C. Safety And Reliability Performance Measures

### 1. Response to Odor Calls

Under Section V.A of the SQ Plans, the Company is required to submit data on the percentage of Class 1 and Class II odor calls that are responded to within one hour. The Company began tracking this measure for the Service Areas in January 2001. The Department has set an annual benchmark for the Company of 95% performance for this measure. The Company is pleased to report that its 2004 performance for this measure was 100% for both Service Areas. Accordingly, the Company has calculated offsets for this measure of \$174,700 for the Fall River Service Area and \$26,563 for the North Attleboro Service Area.

The Billing Adjustment performance for the North Attleboro Service Area was related to a single bill adjustment for one customer where access to the customer's meter was at issue. Given the small size of the North Attleboro Service Area, and the relatively narrow deadband associated with the North Attleboro Service Area's consistently strong historical performance for this measure to date, a penalty calculation relating to a single bill adjustment is a predictable result. Accordingly, the Company requests that the Department consider in future Guidelines possible changes to its penalty/offset formulae that address the application of penalties/offsets in categories with narrow deadbands.

### 2. Lost Work Time Accident Rate

Under Section V.B of the SQ Plans, the Company is required to report on the Incidence Rate of Lost Work Time Injuries and Illness per 200,000 Employee Hours (the "Lost Time Work Accident Rate"), as defined by the U.S. Department of Labor Bureau of Labor Statistics, for each Service Area. The benchmark for this measure for the Fall River Service Area was established in 2002 using 10 years of data. Accordingly, the benchmark for this measure for the Fall River Service Area will remain fixed for the duration of the plan at 2.35. The Fall River Service Area's 2004 Lost Work Time Accident Rate was 0.63.

The benchmark for this measure was established in 2004 using 10 years of data. Accordingly, the benchmark for this measure for the North Attleboro Service Area will remain fixed for the duration of the plan at 1.61. The North Attleboro Service Area's 2004 Lost Work Time Accident Rate was 0.00.

2004 SQI
Annual Report
Section 2
Historical Data
Penalty / (Offset) Calculation



# Fall River Service Area 2004 Performance

	Required	Actual			Penalty/			Res	Results - 2004	
	Years	Years	Historical		Offset	Maximum (2)			No. of	Penalty /
Measures	History	Available	Average	Std Dev	Weight	Penalty	Observ.	Variance	Std Devs	(Offset)
Customer Service and Billing						-				<b>!</b>
% Calls Answered (1)	10	2	AN	NA	12.5%	\$48,528	40.29%	NA	NA	NA
% Emergency Calls Answ.							93.67%			
% Non-Emergency Calls Answ.					-		38.17%			
% Service Appointments Met	10	2	NA	NA	12.5%	\$48,528	99.20%	NA	NA N	NA
% On-Cycle Meter Reads	10	9	81.33%	κi	10.0%			2.27%	1.0365	(\$9,706)
	٠		-		•					
Safety and Kellability										
Lost Work Day Accidents	10	12	2.35	3.89	10.0%	\$38,822			0.4428	80
% Class I & II Odor Calls (3)	NA	3	%56	NA	45.0%	\$174,700	%06'66	4.90%	0	(\$174,700)
Consumer Division Statistica										
Consumer Division Coses	01	Ξ	64.30		2 00/	\$10.411	101	QE 94	,,,,,	• • • • • • • • • • • • • • • • • • • •
Consumer Division Cases	10	77	05.50		5.0%	114,411	101	45.70	2.9/33	319,411
Billing Adjustments	10	12	\$24.27	22.20	2.0%	\$19,411	\$43.92	\$19.65	0.8854	\$0\$
Total					100 007	6366 333				(2007)
Y					100.0 /0	6200,000				(3104,993)

# Notes

(1) Telephone statistic based on calls handled within 20 Seconds; includes abandoned calls.

(2) Max penalty is incurred at 2 standard deviations from average
(3) Penalty/ (Offset) equal to 25% of max apply to each percentage point below/above 95% up to the max penalty.
(4) Two percent of calendar year 2004 T&D revenues.

388,223

Maximum Penalty / (Offset)

Filed\_Section 2 FRG

# Fall River Service Area

					-								
					Hist	Historic Results	.sa						
Measures	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Customer Service and Billing													
% Calls Answered	30.40%	37.76%											
% Service Appointments Met	100%	100.00%				-							
% On-Cycle Meter Reads	77.10%	82.87%	83.00%	82.00%	81.00%	82.00%							
Safety and Reliability													
Lost Work Day Accidents	2.27	0.63	2.72	00:00	0.65	99.0	0.00	2.11	0.63	1.93	1.71	13.09	
Class I & II Odor Calls	100%	99.29%	96.30%										
Consumer Division Statistics													
Consumer Division Cases	. 65	20	50	74	72	78	55	45	99	44	53		
Billing Adjustments	8.55	0.00	12.65	54.96	11.09	22.26	3.16	30.42	15.73	71.57	11,39	9.45	
						)   	•				1		2

Notes

# North Attleboro Service Area 2004 Performance

	Required	Actual			Penalty/			Re	Results - 2004	
	Years	Years	Historical		Offset	Maximum (2)			No. of	Penalty/
Measures	History	Available	Average	Std Dev	Weight	Penalty	Observ.	Variance	Std Devs	(Offset)
Customer Service and Billing										
% Calls Answered (1)	10	Т	ÄZ		12.5%	\$7,378		NA	NA	NA
% Emergency Calls Answ.							79.60%			
% Non-Emergency Calls Answ.							38.17%			
% Service Appointments Met	10	a	NA		12.5%	\$7,378				N
% On-Cycle Meter Reads	10	2	NA		10.0%	\$5,903	80.90%	NA	NA	NA
Safety and Reliability								-		
Lost Work Day Accidents	10	10	1.61	3.42		\$5,903			0.47	\$0
% Class I & II Odor Calls (3)	NA	es es	%56		45.0%	\$26,563	100%	5.00%	'n	(\$26,563)
Consumer Division Statistics										
Consumer Division Cases	10	10	3.8		5.0%	\$2,951	17	13.20		\$2,951
Billing Adjustments	10	∞ .	\$3.84	10.00	2.0%	\$2,951	\$158.31	\$154.47	15.45	\$2,951
							* 3.5			
Total					100.0%	\$59,028				(\$20,660)

# Notes

- Telephone statistic based on calls handled within 20 Seconds; includes abandoned calls.
   Max penalty is incurred at 2 standard deviations from average
   Penalty/ (Offset) equal to 25% of max apply to each percentage point below/above 95% up to the max penalty.
   Two percent of total T&D revenue in 2004.

Maximum Penalty / (Offset)

59,028

3/1/2005

# North Attleboro Service Area

					Histor	Historic Results	ø,					
Measures	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	
Customer Service and Billing												
% Calls Answered	41.48%											
% Service Appointments Met	100%	99.81%										
% On-Cycle Meter Reads	83.51%	84.20%							•			
Safety and Reliability												
Lost Work Day Accidents	0	0.00	9.12	0.00	00.0	00.0	00.0	0.00	0.00	6.93		
Class I & II Odor Calls	100%	100%	100%									
Consumer Division Statistics												
Constitution Division Statistics												
Consumer Division Cases	∞	7	m	-	3	-	S	NA	9	7	7	
Billing Adjustments	\$0.00	\$0.00	\$2.16	\$0.00	\$0.00	\$0.00	\$0.00	\$28.52				

## 2004 SQI Annual Report Section 3



### **SECTION 3**

### **Other Reporting Requirements**

### I. Introduction

Pursuant to Section IV and VII of the SQ Plans, New England Gas Company is required to report, on an annual basis, information regarding the following indicators:

- Customer Surveys
- Restricted Work Day Rate;
- Unaccounted-for Gas;
- Damage to Company Property in Excess of \$5,000;
- Major Capital Investments in Transmission and Distribution Infrastructure;
- Spare Component Acquisition and Inventory Policy and Practice;
   and
- Staffing Levels.

The Company is also required to report annually on customer payments credited as a result of the Company's Customer Service Guarantee Program. This information is presented below and in the accompanying appendices to this section. In addition, the Company has included as Appendix H updated historical data that includes the Company's 2004 performance data, and updated benchmarks for 2005 performance, where benchmarks have not yet been fixed for the term of the Company's SQ plan.

### II. Non-Penalty Performance Measures

### A. Customer Surveys (Appendix A)

Under Section III.C of the SQ Plans, the Company is required to conduct and report the results of two consumer surveys regarding each Service Area: (1) a customer satisfaction survey of a statistically representative sample of residential customers; and (2) a survey of customers randomly selected from those customers who have contacted the Company's customer service

department within the year in which service is being measured. In 2004, the Company used an outside research firm to conduct both surveys for the Fall River and North Attleboro Service Areas. The results of the surveys are presented in Section 3, Appendix A.

### B. Restricted Work Day Rate (Appendix B)

Pursuant to Section VII.A of the SQ Plans, the Company is required to report the Restricted Work Day Rate for each Service Area to the Department on an annual basis. The Restricted Work Day Rate is the Incidence Rate of Restricted Work Cases Per 200,000 Employee Hours, as defined by the U.S. Department of Labor, Bureau of Labor Statistics. The Company has provided this information in Section 3, Appendix B.

### C. Unaccounted-For Gas (Appendix C)

Pursuant to Section VII.A of the SQ Plans, the Company is required to report its Unaccounted-for Gas for each Service Area to the Department on an annual basis. The Company's current and historical data on this measure for each Service Area is presented in Section 3, Appendix C.

### D. Damage to Company Property (Appendix D)

Pursuant to Section VII.A of the SQ Plans, the Company is required to report, on an annual basis, property damage over \$5,000 for each Service Area that is reported to the Gas Pipeline Safety & Engineering Division. During 2004, neither Service Area had property damage over \$5,000. Accordingly, this information is reported in Section 3, Appendix D.

### E. Capital Expenditures (Appendix E)

Pursuant to Section VII.D of the SQ Plans, the Company is required to report on an annual basis the capital investment approved and capital investment completed in the Company's transmission and distribution infrastructure. Information regarding the total number of projects and total expenditure for capital projects for each Service Area, along with supporting information, is presented in Section 3, Appendix E.

### F. Spare Component and Acquisition Inventory Policy (Appendix F)

Pursuant to Section VII.E of the SQ Plans, the Company is required to report on an annual basis its policy for identifying, acquiring, and stocking critical spare components for its distribution and transmission system. Historically, neither the Fall River nor North Attleboro Service Areas have maintained a formal, written policy for identifying, acquiring, and stocking spare components. As a result of its efforts to consolidate operations following the merger, the Company has developed such a policy. The report is provided in Section 3,

### Appendix F.

### G. Staffing Levels (Appendix G)

Pursuant to Section IV of the SQ Plans, the Company will provide staffing level information on an annual basis. The report is provided in Section 3, Appendix G.

### III. Customer-Service Guarantees

Consistent with Section XI of the SQ Plans, the Company instituted a system of customer-service guarantees for the Fall River and North Attleboro Service Areas as of January 1, 2002. Specifically, the Company will provide customer guarantees for each Service Area in the amount of \$25.00 for each: (1) scheduled service appointments for which Company personnel are more than four hours late; and (2) scheduled service outages for which the Company has failed to notify affected customers. In 2004, the Company did not remit any guarantees to customers in either the Fall River or North Attleboro Service Areas.

## Customer Survey Results 2004

Appendix A

### New England Gas Company 2004 Customer Satisfaction Survey Results

Two groups of customers were surveyed:

- 1. Residential customers who may or may not have recently contacted the Company; and
- 2. Any customer who had recent contact with the Company through the telephone center, walk-in center or through a service call.

The samples for the survey were randomly selected to include customers in these two groups. The statistical significance of the survey was 95% for the Fall River Service Area, with a confidence level of  $\pm$ 2.8. The statistical significance of the survey was 95% for the North Attleboro Service Area, with a confidence level of  $\pm$ 3.6.

The following questions were asked of customers:

Using a scale of 1 = very dissatisfied and 7 = very satisfied; How satisfied are you with the service you are receiving from Fall River / North Attleboro Service Area.

Using a scale where 1 = very dissatisfied and 7 = very satisfied; how satisfied were you with the service you received from the customer service department of Fall River/North Attleboro Service Area?

The mean scores for Question 1 were 5.07 for the Fall River Service Area and 5.36 for the North Attleboro Service Area. The mean scores for Question 2 were 5.03 for the Fall River Service Area and 5.49 for the North Attleboro Service Area.

# RESTRICTED WORK DAY DATA

YEAR ENDING DECEMBER 31, 2004

Appendix B

# Fall River Service Area

## **Restricted Work Day**

Year	Restricted Work-Day Rate
1995	6.92
1996	7.04
1997	10.36
1998	11.17
1999	4.54
2000	5.22
2001	5.44
2002	8.26
2003	4.55
2004	3.80
10-YR Average	6.73

## North Attleboro Service Area

## **Restricted Work Day**

Year	Restricted Work-Day Rate
1995	0.00
1996	0.00
1997	0.00
1998	0.00
1999	0.00
2000	0.00
2001	0.00
2002	0.00
2003	0.00
2004	0.00
Average	0.00

# **Unaccounted for Gas**

YEAR ENDING DECEMBER 31, 2004

# **Appendix C**

# Fall River Service Area

## Unaccounted Gas

Year	Unaccounted Gas MCF
1995	447,443.8
1996	60,495.9
1997	243,861.7
1998	118,355.6
1999	195,010.3
2000	530,629.6
2001	40,323.0
2002	374,568.5
2003	257,252.0
2004	327,659.0
10-YR Average	259,559.9

# North Attleboro Service Area

### Unaccounted For Gas

Year	Unaccounted Gas MCF
1995	17,014.0
1996	6,384.0
1997	17,356.0
1998	19,597.0
1999	4,279.0
2000	8,487.0
2001	11,453.0
2002	7,772.6
2003	28,094.0
2004	38,214.0
10-YR Average	15,865.1

# **Damage to Company Property**

YEAR ENDING DECEMBER 31, 2004

**Appendix D** 

### New England Gas Company Damage to Company Property

Neither Fall River nor North Attleboro had damage to Company Property greater than \$5,000.

# **Capital Expenditures**

YEAR ENDING DECEMBER 31, 2004 & Historical Information

Appendix E

# Fall River Service Area 2004 Capital Expenditure Reporting

	ADDITIONS		FALL RIVER	SOMERSET	SWANSEA	WESTPORT	DARTMOUTH	TOTAL
313000	General Equipment	49	t t	1	<del>6</del>	<del>6/</del>	<i>\( \text{\text{d}} \)</i>	1
320000	Other equipment	•	3.620	•	,	,		3 630
361000	Stor - Structures & Improvements		16,634					18.634
363000	Purification Equipment		46.872					16,004 AR 872
375000	Dist - Structures & Improvements		27,612					27,012
376010	Cast Iron		! ' !					210,12
376020	Steel Mains		1,108	425				1 523
376070	Plastic Mains		1,385,924	518.377	86.903	170 446	2880	2 164 530
376090	Cathodic Protection			£	1 705	7.2	1,000	7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7
376110	Joint Seals		1.380	!	2	2		280
378000	Meas Reg Stat Equip		27,259					000,1
380000	Services		1,575,121	468.479	202.456	259.863	4 525	2 540 444
381000	New meters		283,964	•	) '	1	) .	283.064
382000	Meter installations		326,469	66,102	30.141	25.014	3 644	451.369
390000	Structures & Improvements		(490,964)				•	(490,964)
391000	Office equipment		1		•	1		,
391100	EDP equipment		13,000					13,000
397000	Communication equipment		•		,	ı	•	5
398000	Misc equipment		103,316				i	103 246
	Total additions:	€9	3,321,332 \$	1,053,399 \$	321,205 \$	455,454 \$	11.057 \$	5.162.447
								(, ()
	RETIREMENTS:							
320000	Other equipment	↔	(13,223) \$	i	•	1	•	(13.223)
375000	Dist - Structures & Improvements		(26,899)			•		(26.899)
376000	Mains		(84,501)					(84.501)
380000	Services		(252,563)					(25,551)
381000	New meters.		(82,078)					(82.078)
382000	Meter installations		(39,840)					(30,040)
383000	Regulators		(3,454)		-			(247,57)
384000	Regulator Installation		(2.612)					(0,434)
390000	Structures & Improvements		(63,563)					(63.563)
391000	Office equipment		(444,949)					(000,000)
397000	Communication equipment		(200,910)				·	(200 040)
00086	Misc equipment		(714)					(200,310)
			<u>f</u> :			r * 1	•	(714)
	Total retirements:	ú	14 24E 20E1 &		6	-	+	1 00 1 10
:	lotal real efficiency.	9	¢ (coc'cız'ı)	,	<b>A</b>		<del>€</del>	(1,215,305)
	Net Additions:	₩	2,106,027 \$	1,053,399 \$	321,205 \$	455,454 \$	11,057 \$	3,947,142

Fall River Gas Company Capital Expenditure Information Transmission and Distribution Plant

Booked investment		1995	1996		1997	1998		1999	2000	2001	2002	2003	2004	
Additions:														
Generating Equipment	₩	1	69	↔	•	49	49	•	69	·	·	16 634	4	
Structures & Improvements		21.602	•		,	1 638		•	•				(446.740)	1 6
Mains		1,966,830	437.459		523 222	431 697	. ~	168 498	539 107	907 77	783 033	700,007	0 7 7 7 7 7	0 0
Measure & Regulator		201,515	8 531		18 527	6.548	. ເ	24 023	22, 220	000	00000	100,004	, 103	02,320
Septions		2510165	1 481 230		1 255 35B	006 711	, -	000	0000000	2000	200,00	665,50	. 61.	507
Matero		P00 666	100 301		495,000	2000	- <b>.</b>	200,000	900,201,1	100,000	010,004,1	94,740,	2,510,444	444
Medel de la company		160,002	200'001		080,001	200,33		676,01	661,00	(7,532)	138,470	81,360	283,	283,964
Meter Installations		493,970	242,345		200,156	201,814	*4*	199,938	242,000	149,748	329,502	180,074	451,	451,370
House Regulators		38,219	19,893		19,615	18,810	o	13,435	15,615	14,230	11,160	•		•
Other		3,817	•		3,983				11.200	31.071		14.721	166	166.808
sub-total	€9	5,479,012	\$2,305,265	69	2,226,221	\$ 1,943,207	\$ 2	1,410,614	1	\$ 989,397	\$ 2,701,733	\$ 1,904,139	\$ 5,162,447	44
Kelliens	,	1	•											
Mains	<del>:</del>	(33,447)	<del>(1)</del>	64)		\$ (18,827)	e# (~	(13,149)		\$ (79,629)	(6)99(5)	€>	\$ (84.	(84,501)
Measure & Regulator		•	(4,750)		(271)	(1,677)	5	(18,849)	(2,789)	•		•	9	(6,066)
Services		(136,396)	(142,831)		(70,808)	(36,311)	=	(61,448)	(75,873)	(122,013)	(75,231)	•	(252,563)	563)
Structures & Improvements													(60)	(90.462)
Meters		(27.854)	(32,741)		(27,146)	(21,800)	~	(20.374)	(12 511)	(10.418)		(00 582)	6	(10,0
Meter Installations		(39.742)			(27.094)	(18 833)	`	(28 BEE)	(18 085)	(34.02)	(1000)	(40,004)	(05,	(02,010)
House Regulators		(=: .'.^^)	(0000)		(40,12)		5 6	(20,033)	(10,905)	(31,022)	(10,981)		(98)	840)
Other		•	(000,0)		(9,157)	(2,582)	Ŷ	(4,588)	(2,444)	(5,645)	(4 988)	•		
Š					-1	-	- 1		ι	1		•	(659,796)	(96)
sub-total	69	(237,439)	\$ (229,452)	64	(192,477)	\$ (100,130)	٠ •	(145,361)	\$ (128,230) \$	(248,727)	\$ (105,175)	\$ (99,582)	\$ (1,215,306)	306)
Total	↔	\$5,241,573	\$2,075,813	₩	\$2,033,744	\$1,843,076		\$1,265,253	\$1,913,689	\$740,670	\$2,596,558	\$1,804,557	\$3,947,141	141
Facilities														
Added (feet)														
Wrought Iron and Steel		06	650			-		18	•	•	116	149		1
Mastic Cast Iron		42,598	20,449		26,389	23,116	m	20,058	17,462	33,339	659'6	44,408	17,	17,502
100 1000		1 000	, ,							•		1		1
sub-total		42,688	21,099		26,389	23,116	'n	20,076	17,462	33,339	9,775	44,557	17,	17,502
Taken up (feet)														
Wrought Iron and Steel		١	1		1	,		0.43						
Plastic		1				-	,	7	•	•	•	•		
Cast Iton			•		•	-			•		•	•		,
1011		'	•						r	•.		•		٠
Sub-total		•	,		1	-		612	•	,1	•	,		٠
Abandoned (feet)														
Wrought Iron and Steel		10,823	τĐ		11,463	3,874		4,845	2,069	15,724	149	12,545	7.3	7,343
Plastic		1,099			286	•		171	138	39	242	688		291
Cast Iron		654			4,743	178	~	299	404	13,260	1.416	3,861	. 5	1.035
sub-total		12,576	8,516		16,492	4,052	۸.	5,315	2,611	29,023	1,807	17,094	8,E	8,669
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1					1	:		:	:					
wer change		30,112	12,583		/68'6	19,064		14,149	14,851	4,316	7,968	27,463	3,8	8,833

# Appendix E Page 3 of 4

# New England Gas Company

North Attleboro Service Area 2004 Capital Expenditure Reporting

	Additions:		
376010	Cast Iron	မ	-
376020	Steel Mains		864
376070	Plastic Mains		684,803
37800-01	Distribution Regulator Equipment		(190)
38000-01	Regular Services		536,801
38100-01	Meters		090'66
38200-01	Meter Installation		68,027
10700	Construction Work in Process		(372,969)
	Total additions	Ġ	1,015,826
	Retirements:		
376010	Cast Iron	<i>⇔</i>	(1,116)
38000-01	Regular services		
38100-01	Meters		(3.583)
38200-01	Meters Installations		
390000	Structures & Improvements		(35,955)
391000	Furniture & Equipment		
392000	Transportation Equipment		(9,248)
	Total retirements	<del>s</del>	(49,902)
	Net change	Ġ	965,924

# North Attleboro Gas Company Capital Expenditure Information Transmission and Distribution Plant

3 2004	¥° *′ (	8,770 68,027 22,241 (372,969) 48,897 \$1,015,827	\$0 (\$1,116) 	\$0 (\$49,902)	897 \$965,925		4,251 20,072	4,251 20,072	•		ť		- 240		24	1,836	4.251 18.236
2 2003	4	\$4	(\$10,742) (15,554) (2,548) (3,737)	(\$32,581)	759 \$448,897	•	6,559 4,	6,559 4,			,		T	570	. 66	1,004	5,555 4,2
1 2002		\$	(\$1,828) (\$10 (15,405) (15 (1,012) (2 (3,577) (3		085. \$400,759		9,844 6,	9,844 6	32	2,510 276		2,818	1				7,626 5,
2001	47	1	(\$3,271) (\$1, (20,513) (15, (1,278) (1, (4,200) (3,	262) (\$21,822)	471 \$420,085		7,373 9,	7,373 9,		51.7 103		1,964 2,	,	•	•		5,409 7,
2000	32 32	\$2		24) (\$29,262)	65 \$568,471	t 1	7,466 7,3	7,466 7,3		33	1		٠.				
1999	\$ 2	36 20,345 	(\$10 (18 (3	(\$33,624)	\$391,065	1 7					1,4	27 4,174		•		1	3,292
1998	<b>4</b> C	5 68,636 5 \$782,137	(\$10,472) (33,527) (2,501) (642)	9) (\$47,142)	7 \$734 995		3 21,364	3 21,364	-	3,015 - 175		4,127					3 17,237
1997	\$2	81,183 \$545,496	(\$5,078) (14,823) (3,508) (1,150)	(\$24,559)	\$520,937		12,658	12,666	÷	2,205		2,960					902'6
1996	\$159,997 8,817 183,267 16,019	25	(\$6,502) (811) (6,471) (5,093) (1,000)	(\$19,877)	\$398,564	O. I	7,224	7,226	2,552	7.7 7.7 7.7	'	2,696		•	•	'	4,530
1995	\$212,341 4,200 151,932 20,374	51,258 \$440,105	(\$9,650) (400) (24,466) (2,288) (1,200)	(\$38,004)	\$402,101		6,704	6,704			1	•	•	1,826	148	5,041	1,663
Booked Investment	Additions: 367 Mains 369 Measure & Regulator 380 Services 381 Meters	382 Meter Installations 107 Construction Work in Progress sub-total	Retirements. 367 Mains 369 Measure & Regulator 360 Services 381 Meters 382 Meter Installations 390 Structures & Improvements 392 Transportation Eduloment	sub-total	Total	Facilities Added (feet) Welded Steel Screw Steel	Plastic Cast Iron	sub-total	Taken up (feet) Welded Steel	Screw Steel	Cast Iron	sub-total	Abandoned (feet). Welded Steet	Screw Steel	Plastic Cost from	sub-total	Net change

# Spare Component and Acquisition Inventory Policy

YEAR ENDING DECEMBER 31, 2004

Appendix F

### **Spare Component and Acquisition Inventory Policy**

The New England Gas Company (the "Company" or "NEGas") manages all inventory items with the Oracle software application. The system provides the Company with one integrated Materials Management software system for each of the Company's service areas, which are located in Fall River, Massachusetts, North Attleboro, Massachusetts, Cumberland, Rhode Island, and Providence, Rhode Island. In addition, each location shares a common part numbering sequence for inventory items for both distribution and customer service requirements. As a result of corporate integration, the Service areas **now** operate all warehouses with the same policies and procedures within the Materials Management Department.

### Stock Replenishment Practice

Best practices are incorporated into the inventory processes at the Company to assure critical and routine items are in stock. Inventory is conducted utilizing the A, B, C analysis method and inventory is ordered based on minimum, maximum and safety inventory <sup>1</sup> levels the Company has assigned to each individual item. The Company also has an Operations Purchasing Team comprised of the Purchasing, Materials Management, Construction and Maintenance, Engineering and Customer Service Departments which meet monthly to identify stock level changes in certain inventory items due to seasonal business changes (i.e., repair clamps in winter) and large projects. These combined processes allow NEGas to operate with optimum inventory levels to support all construction maintenance and customer service requirements.

### Integration of Inventory Items

In an effort to standardize the service areas within the Company's Materials Management Department the company has made great strides in bringing the inventory to a more common platform. Items such as plastic pipe, meters, clamps, meter bars and other common industry items already standardized by the Company have allowed for more cost-effective procurement and the benefit of being able to draw common parts and critical items from one of four warehouses. The "Operations Purchasing Team" noted above also continues the integration of inventory items within the service areas and also evaluates new products and services offered in the industry.

### Critical Inventory Items

The Engineering and Construction and Maintenance Departments have identified critical items for the Company's distribution system. Items such as large cutoffs, clamps and other parts are in stock at each warehouse for emergency purposes. If any critical inventory is used it is replaced immediately to assure the Company's emergency inventory items stay at the assigned levels. If the Engineering or Construction and Maintenance Departments identify new item(s) as critical, they will notify the Materials Management Department and the item(s) will be ordered and stocked. In addition, the Company networks with other utilities in the Northeast, New York and Pennsylvania as necessary in obtaining critical items as a last resort.

<sup>&</sup>lt;sup>1</sup> Safety inventory: one inventory item above the Company's minimum inventory requirement.

With the processes and practices noted above, the Fall River and North Attleboro Service Areas have been successful in maintaining all necessary items for emergency and routine work. The continued integration of all the service areas will continue to standardize and reduce the number of critical items required for all locations. In addition, the Company will continue to monitor the best practices within the industry and implement them as necessary to assure that it maintains a credible and accurate inventory system.

# **Staffing Levels**

YEAR ENDING DECEMBER 31, 2004

Appendix G

## Fall River Service Area

## **Employee Count**

Year	Number of Employees
1997	177
1998	172
1999	169
2000	170
2001	160
2002	145
2003	141
2004	136

## North Attleboro Service Area

## **Employee Count**

Year	Number of Employees
1997	11
1998	14
1999	13
2000	13
2001	10
2002	5
2003	4
2004	5

# 2004 Benchmark Calculations

YEAR ENDING DECEMBER 31, 2004

Appendix H

Fall River Service Area Service Quality Plan 2005 Benchmark Statistics

	Billing	Adjustments	Per 1,000	\$9.45	\$11.39	\$71.57	\$15.73	\$30.42	\$3.16	\$22.26	\$11.09	\$54.96	\$12.65				- EXE	\$24.27	\$22.20	\$68.66	\$46.46	\$2.07	-\$20.12	
	Consumer	Division	Cases		. 53	44	56	45	55	78	72	74	20	20			FAED	55.3	15.4	96.0	70.7	39.9	24.6	
	Class [&]]	Odor	Calls			•							96.30%	99.29%	100.00%	%06.66								
	Lost	Work Day	Accidents	13.09	1.71	1.93	0.63	2.11	00.0	0.66	0.65	0.00	2.72					2.35	3,89	10.13	6.24	-1.54	-5.43	
	Percent	On-Cycle	Meter Reads							82.00%	81.00%	82.00%	83.00%	82.87%	77.10%	83.60%		81.65%	2.19%	77.27%	79.46%	83.85%	86.04%	
	Percent	Service	Appt. Met										<1 year data	100.00%	100.00%	99.20%		99.73%	0.46%	98.81%	99.27%	100.20%	100.66%	
Total	Percent	Calls	Answered						-				< 1 year data	37.76%	30.40%	40.29%		36.15%	5.14%	25.87%	31.01%	41.29%	46.43%	
			Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		Mean	Std. Dev.	Max. Penalty	25% Penalty	25% Offset	Max. Offset	

Billing <u>Adjustments</u>		\$28.52	\$0.00 \$0.00	\$0.00	\$0.00 \$2.16	\$0.00	\$0.00	\$158.31		\$21.00	\$52.34	\$125.67	\$73.33	(\$31.34)	(\$83.67)
Consumer Division <u>Cases</u>	r 7 9	₽₹	ഹ ←	<i>c</i> o∵	~ ო	2	∞			3.8	2.5	Ø. Ø.	6.3	<u>4.</u>	-1.3
Class I&II Odor <u>Calls</u>					100%	100%	100%	100%							
Lost Work Day <u>Accidents</u>	6.93 6.93	0.00	0.00	0.00	0.00 9.12	00:0	00.00	Category (Special Conference Special S	HXED	1.61	3.42	8.45	5.03	-1.82	-5.24
Percent On-Cycle <u>Meter Reads</u>						84.20%	83.51%	80.90%		82.87%	1.74%	79.39%	81.13%	84.61%	86.35%
Percent Service Appt. Met						99.81%	100.00%	%02'86		89.50%	0.70%	98.10%	%08.86	100.21%	100.91%
Percent Calls <u>Answered</u>							41.48%	38.52%			-				
Year	1993 1994	1996	1997 1998	1999	2000 2001	2002	2003	2004		Mean	Std. Dev.	Max. Penalty	25% Penalty	25% Offset	Max. Offset